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SENATE BILL 2764 By
McNally

HOUSE BILL 2747
By Kisber

AN ACT to amend Tennessee Code Annotated, Title 67, relative to taxes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-702(a), is amended by deleting the language "single article of personal property" wherever it appears in subdivision (a)(1) or subdivision (a)(2) and substituting instead the language "single aircraft, vessel or motor vehicle".

SECTION 2. Tennessee Code Annotated, Section 67-6-702(a), is amended by adding the following new subdivision:

() For purposes of this subsection, "vessel" means a vessel as defined by § 69-10-204 that is subject to registration and identification under § 69-10-206. "Motor vehicle" means a motor vehicle as defined by § 55-1-103 that is subject to registration under § 55-3-101(a) for use upon a highway, except "motor vehicle" does not include any mobile home or house trailer as defined in § 55-1-105. Parts or accessories for motor vehicles that are installed at the factory and delivered with the motor vehicle as original equipment and/or parts or accessories for motor vehicles that are installed by the dealer and/or distributor prior to sale, at the time of the sale, or which are included as

part of the sales price of the vehicle shall be treated as a part of the motor vehicle. In addition, all necessary parts and equipment installed by a motor vehicle dealer which are essential to the functioning of the motor vehicle or are required to be installed on the motor vehicle prior to sale to the ultimate consumer pursuant to state or federal statutes relating to the lawful use of the motor vehicle shall be treated as a part of the motor vehicle. Motors, other parts or accessories for vessels, freight, and labor, excluding trailers, shall be treated as part of the vessel in the same manner as parts or accessories for motor vehicles are treated as part of the motor vehicle. Parts or accessories for aircraft shall be treated as part of the aircraft in the same manner as parts or accessories for motor vehicles are treated as part of the motor vehicle.

SECTION 3. Tennessee Code Annotated, Section 67-6-702, is amended by deleting the language “with respect to industrial and farm machinery as defined by § 67-6-102, and” where it appears in subsection (b) and by deleting the last sentence of subsection (b) in its entirety.

SECTION 4. Tennessee Code Annotated, Section 67-6-702, is amended by deleting subsection (d) in its entirety.

SECTION 5. Tennessee Code Annotated, Section 67-6-702, is amended by deleting the last sentence of subsection (e) in its entirety.

SECTION 6. Tennessee Code Annotated, Section 67-6-225, is amended by deleting the last sentence of subsection (b) in its entirety and by adding the following new subsection:

() For purposes of applying subsection (b), parts or accessories for aircraft that are installed at the factory and delivered with the aircraft as original equipment and/or parts or accessories for aircraft that are installed by the dealer and/or distributor prior to sale, at the time of the sale, or which are included as part of the sales price of the aircraft shall be treated as a part of the aircraft. In addition, all necessary parts and equipment installed by an aircraft dealer which are essential to the functioning of the aircraft or are required to be installed on the aircraft prior to sale to the ultimate consumer pursuant to

state or federal statutes relating to the lawful use of the aircraft shall be treated as a part of the aircraft.

SECTION 7. This act shall take effect July 1, 2000, the public welfare requiring it.